

Outline of Agreement between
Davis Joint Unified School District
And
Covell Village Partners

Subject to the passage of Measure J election and approval from the City Council of the proposed Covell Village development project, the Covell Village Partners and the Davis Joint Unified School District agreed to the following:

1. Covell Village Partners will acquire, from the district, the piece of land normally referred to as the Wildhorse school property (Nugget Fields) for use as a community asset (for the community use). In consideration, the Covell Village Partners will pay \$4,202,138 million in accordance with the following installment schedule:

First year (within 60 days of first final map)	\$350,000
Second year	\$364,000
Third year	\$378,560
Fourth year	\$393,702
Fifth year	\$409,450
Sixth year	\$425,829
Seventh year	\$442,862
Eighth year	\$460,576
Ninth year	\$479,000
Tenth year	\$498,159

Each yearly payment will be made on or before the anniversary date of the first payment.

2. In exchange of the property listed in item # 1 above, and as further consideration, Covell Village Partners will transfer to the district the clean title of a ten (10) acres piece of property, free of any easements, encroachments and liens, located inside the proposed “Covell Village” development, the location, dimensions and other parameters to be mutually agreed upon.
3. The land in item #2 to be fully developed (utilities stubbed at appropriate and mutually agreed upon termination points).
4. Covell Village Partners will contribute \$1 million dollar as a goodwill gesture toward the construction of a facility on the land mentioned in item # 2 above. This amount will be paid within 30 days of the award of the contract for such construction. If a facility is not constructed at the site, the payment of \$1 million, adjusted in accordance with item # 5 below, will be made, nonetheless, at a date no later than 5 years from the date of the City approval of first final map for any part of the proposed development.

5. The amount in item # 4 above will be adjusted upward compounded annually at 4% with base of \$1 million established upon approval of first map by the City.
6. The development will continue to pay CFD1 taxes according to the existing tax formula.
7. Covell Village Partners agree to the annexation of the whole development into CFD2.
8. Covell Village Partners agree to the establishment of CFD3 to provide full mitigation for new construction as well as to provide needed funds for school facility and furnishing needs. The initial annual tax rate of the new CFD is estimated at \$.25 per square foot, adjusted annually at 2%.
9. The district acknowledges that with this agreement, the school facility needs have been adequately addressed and upon successful implementation of the agreed upon provisions, any impact of the proposed development on the school district will be fully mitigated.
10. The district will spend the funds generated through this agreement to fund the unfunded and/or under-funded projects listed in the Facilities Master Plan including any future amendments by the board.